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QUESTION PRESENTED

Whether the Commissioner of Patents has authority to issue a regulation providing for the exclusion from practice before the Patent Office of any patent attorney or agent who uses advertising to solicit patent business.

STATUTES AND REGULATION INVOLVED

35 U.S.C. 6, 31, 32 provide:

§ 6. Duties of Commissioner.

The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trade-marks; and he shall have charge of property belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office.

§ 31. Regulations for agents and attorneys.

The Commissioner, subject to the approval of the Secretary of Commerce, may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presenta-

tion or prosecution of their applications or other business before the Office.

§ 32. Suspension or exclusion from practice.

The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded.

Section 1.345 of the Rules of Practice of the Patent Office in Patent Cases, effective July 1, 1959, provides:

§ 1.345 *Advertising.* (a) The use of advertising, circulars, letters, cards, and similar material to solicit patent business, directly or indirectly, is forbidden as unprofessional conduct, and any person engaging in such solicitation, or associated with or employed by others who so solicit, shall be refused recognition to practice

before the Patent Office or may be suspended, excluded or disbarred from further practice.

(b) The use of simple professional letterheads, calling cards, or office signs, simple announcements necessitated by opening an office, change of association, or change of address, distributed to clients and friends, and insertion of listings in common form (not display) in a classified telephone or city directory, and listings and professional cards with biographical data in standard professional directories shall not be considered a violation of this rule.

(c) No agent shall, in any material specified in paragraph (b) of this section or in papers filed in the Patent Office, represent himself to be an attorney, solicitor or lawyer. [22 F.R. 6898; 23 F.R. 6199, 8622; 24 F.R. 1419.]

STATEMENT

The petitioner brought this action to have declared void a rule of the Patent Office which prohibits him from soliciting patent business by advertising while continuing to practice before the Patent Office. The facts are not in dispute.

A patent attorney or agent furnishes services of a professional nature to inventors. He conducts, or causes to be made, a so-called preliminary search through prior patents to determine whether the filing of a patent application is or is not warranted; he prepares and files the application; and he prosecutes the application before the Patent Office on behalf of the inventor. A patent attorney or agent may be called upon to deal appropriately with rejections of claims by a patent office examiner or other official. Factual or legal arguments may be presented as a

basis for reconsideration, or new claims may be added. Almost all applicants for patents use the services of a patent attorney or agent. The practitioner before the Patent Office has a fiduciary duty of a double character. He owes a duty to the Patent Office and the public not to prosecute applications if he knows that the invention has been anticipated, not to suppress or conceal relevant information with respect to an application, and not to prosecute applications where it is obvious that no patent can be granted. On the other hand, a patent attorney or agent owes a duty to his client, who must rely on his integrity and ability to evaluate the complex proceedings before the Patent Office (J.A. 48–51).

Before adoption of the rule in question here, practitioners had been, since 1918, required to submit all advertising intended to solicit patent business to the Commissioner of Patents for approval prior to publication (J.A. 97). Of the 6,211 registered practitioners, 136 (approximately 1.6% of the lawyers and 3.9% of the non-lawyers) solicited patent business by advertising. Twenty-four practitioners (less than 00.4%), including the petitioner, solicited business through magazine advertisements (J.A. 54).

Canons or rules of professional conduct prohibit the solicitation of business by advertising for doctors, dentists, accountants and architects, as well as for lawyers (J.A. 48–49). An unchallenged rule of the Patent Office, based on 35 U.S.C. 6, 31, 32, *supra*, pp. 2–3, prohibiting advertising to solicit trademark business has been in effect since January 1, 1950 (J.A. 47).

By publication in the Federal Register of August 27, 1957, the Commissioner of Patents gave notice of

a proposed change in the Rules of Practice of the United States Patent Office in patent cases. 22 F.R. 6898. This proposed rule was substantially the same as Rule 1.345, which the petitioner now seeks to have declared void. Pursuant to that notice, a hearing on the proposed rule was held on November 19 and 20, 1957. The proposed rule received the support of the American Patent Law Association, and twenty-one local and regional patent law associations, the American Bar Association, the Federal Bar Association, and fifteen other local and regional bar associations, as well as that of many other patent practitioners, both lawyers and non-lawyers. The petitioner was one of twelve individuals and two firms of practitioners which indicated opposition to the proposed rule. (J.A. 45–47.)

Subsequent to the hearing, and upon the evidence presented to him, the Commissioner of Patents recommended to the Secretary of Commerce that the new rule be adopted. On August 5, 1958, the new rule was adopted to take effect January 1, 1959. 23 F.R. 6199 (August 13, 1958). The effective date was subsequently extended to July 1, 1959, and the rule went into effect on that date.

ARGUMENT

The only question presented by this case is a narrow one of limited importance and application. There is, and can be, no conflict of decisions[1] and the decision of the Court of Appeals is clearly correct.

[1] Suits seeking judicial review of disbarment proceedings, as well as suits against the Commissioner, must be brought in the District of Columbia. 35 U.S.C. 32.

The rule in question applies only to practitioners before the Patent Office. Of these, more than 98% of the lawyers and 96% of the non-lawyers had voluntarily refrained from the use of advertising now prohibited, so that the rule required a change in the advertising practices of 136 practitioners.

The plain language of the statute here and the nature of the rule make evident both the reasonableness of the rule and the authority of the respondents to adopt it. For an administrative agency to set standards for the persons eligible to practice before it is so necessary and usual that the authority to do so is implied from the agency's power to regulate its proceedings. *Goldsmith* v. *United States Board of Tax Appeals,* 270 U.S. 117. Here, the applicable statute specifically gives the Commissioner authority to "prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office * * *." 35 U.S.C. 31. Practice before the Patent Office is professional in nature, and requires conduct consistent with high professional standards which Congress has made the Commissioner of Patents primarily responsible for enforcing. *Kingsland* v. *Dorsey,* 338 U.S. 318. The rule in question provides essentially that each practitioner before the Patent Office shall be held to the same standard of professional conduct in regard to advertising as that required of lawyers, dentists, physicians, public accountants, and architects, and voluntarily followed by the overwhelming majority of his fellow practitioners. Similar statutory grants of authority have

resulted in similar, unchallenged, rules for practice before other administrative agencies, including the Treasury Department (5 U.S.C. 261); the Veterans Administration (38 U.S.C. 3404);[2] the Department of the Interior (5 U.S.C. 493).

To support a result contrary to that reached by the Commissioner and the courts below, the petitioner relies on the legislative and administrative history of the statute. His interpretation of the legislative history is based primarily on his erroneous equation of the fact that the Patent Office *did* not for many years prohibit advertising with the theory that the Patent Office *could* not do so. Yet even the petitioner concedes that the statute authorized the long-standing administrative practice of censoring the advertising material of practitioners (Pet. 17; J.A. 64–65). As the Court of Appeals properly noted, the legislative history on which petitioner relies "is not conclusive or even persuasive" (Pet. App. 5a).

Petitioner's reliance on *Kent* v. *Dulles*, 357 U.S. 116, is also misplaced. In that case a statute was narrowly construed because it limited a fundamental liberty, and a broad construction would have raised a serious constitutional question. Here no constitutional question is involved, but only the standards of conduct of persons who render professional services. *Semler* v. *Oregon State Board of Dental Examiners*, 294 U.S. 608, 612.

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[2] 1958 Ed. (Act of Sept. 2, 1958, P.L. 85-857, 72 Stat. 1105). The citation of the Court of Appeals is to an earlier edition.

[3] Although the petitioner lists constitutional questions, he apparently concedes that Congress could have constitutionally authorized the Commissioner to promulgate the instant rule, for

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be denied.

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the only unconstitutionality mentioned is based upon the assumption that the rule is void (Pet. 32). Any assertion of the unconstitutionality of the rule would be wholly without merit. *Semler* v. *Oregon State Board of Dental Examiners*, 294 U.S. 608; cf. *Williamson* v. *Lee Optical Co.*, 348 U.S. 483, 490.

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